

**State of the State Address
Governor Jim Hodges
January 16, 2002**

Ladies and Gentlemen, members of the General Assembly, honored guests, please join me in honoring our nation with the words of the Pledge of Allegiance.

I pledge allegiance to the flag of the United States of America ... and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

Thank you.

Four months ago, our president stood before Congress to address the nation in the wake of the tragic events of September 11. Many Americans asked the simple questions: What is expected of me in this time of crisis? What can I do to help? How can I make a difference in America?

President Bush said we must first continue fully living our lives. Then, we all have a job to do -- both at home and overseas.

My friends, we have heeded the president's words. Across South Carolina, people have rallied around our country and touched those in need.

South Carolinians like James "Smitty" Smith of Lake City. On September 11, Smitty was working at the Pentagon when the attack on America occurred. He put his own life in danger to save the lives of others. Yet, Master Sergeant Smith describes himself simply as one of many who reached out to help. Master Sergeant, please stand and be recognized.

Who can forget the students of White Knoll Middle School in Lexington? They heard the story of a New York fire station sending a fire engine to Columbia after the Civil War. The students decided a 135-year-old debt should be paid off. Over the next few months, these students led a fund drive and raised over \$500,000. On Thanksgiving Day, they delivered a check for a new fire truck to Mayor Rudy Giuliani. I ask the student leaders of White Knoll to stand and be recognized.

Tonight, more than 200 South Carolina National Guardsmen are on duty overseas as part of Operation Enduring Freedom -- our war on terrorism. They include the Swamp Foxes, F-16 fighter pilots and their support teams from McEntire. I ask General Spears, our National Guard Adjutant General, to please stand and accept our thanks for the job South Carolina's service men and women are doing to protect country.

These are the faces of September 11. Of tragedy and tears... of courage and hope ... of character and optimism. These great South Carolinians remind us what matters in life -- God's gift of a free country, caring communities, and loving families.

Members of the General Assembly, as we move forward in this important legislative session, let us do so with that same sense of purpose they have shown. Let us avoid the poison of partisanship. Let us agree respect will be our watchword... cooperation our mission.

And look what we have accomplished by working together.

Old controversies have been resolved. The nation's nuclear waste is headed elsewhere. Our innovative SILVERxCard program is helping nearly 40,000 vulnerable seniors afford prescription drugs. Palmetto Pride has reduced trash on our roads.

We've broken records in job creation. We've kept our taxes among the lowest in the country. We've even added a new tax-free shopping holiday every August to help our families.

We've focused like a laser beam on improving public education. Now our efforts are paying off.

First in the nation in SAT improvement, fourth in improving teacher quality, and third in the nation in the number of nationally certified teachers -- an increase of more than 7,500 percent. And last week, Education Week announced that South Carolina is one the leading states in educational improvement.

Our new education lottery is a great success! It has sold almost twenty million dollars in tickets... in the first week alone. This new revenue will open the door of educational opportunity for scores of South Carolinians of all ages.

Ladies and gentlemen, we can take pride in these accomplishments. And if these were ordinary times, we could spend this evening reflecting on their impact. But we dare not, because we are faced with two new factors in our lives.

Our economy is suffering and America is at war.

For the first time since World War Two, we must plan for homeland security. At the request of the White House, I have ordered the National Guard to protect our state's airports. Until the federal government completes improvements to airport security, these brave men and women will provide an extra measure of safety for passengers.

We have created a new Office of Homeland Security to better protect our state.

Our Director of Homeland Security, General Steve Siegfried, and our team hit the ground running after September eleventh. In just two short months, they successfully responded to the threat of anthrax. Safety procedures at our ports and nuclear power plants were reviewed and improved. Our National Guard was selected for special civilian disaster training. And we signed a mutual aid agreement with our neighbors in North Carolina.

But the terrorist attack opened our eyes to a whole new set of challenges.

General Siegfried has worked with me to prepare sweeping anti-terrorism legislation. This legislation will make the Palmetto State a national leader. It includes antiterrorism training for our police, firefighters and healthcare workers. We must also improve information sharing between law enforcement agencies at all levels. And we must upgrade the capabilities of our public health agencies to deal with the threat of bio-terrorism.

And I am asking National Homeland Security director Tom Ridge to partner with us and make South Carolina the model for homeland security.

While we are talking about making our state safer, I want to address the issue of plutonium shipments to the Savannah River Site in Aiken. The people of South Carolina have a long and proud history of supporting the defense of our country.

Several years ago, we agreed to convert weapons-grade plutonium at SRS. We asked one thing of the federal government -- find another location to dispose of it. Recently, the federal government broke its commitment, and began planning shipments of plutonium to South Carolina without a disposition plan. This is unacceptable.

Plutonium is one of the most hazardous materials known to man. Even a very small amount can be lethal. As a nuclear explosive, a few pounds of weapons-grade plutonium, fashioned into a bomb, could decimate several square miles of our state and make a whole county uninhabitable for years.

Dumping this weapons-grade plutonium in our state turns us into a terrorist target. We cannot allow the federal government to paint a bullseye on South Carolina.

But as we work to keep our citizens safe, we cannot afford to lose sight of our other big priorities. Those kitchen table concerns of everyday families.

Before the terrorist attacks, our national economy was slowing. But September 11 made things worse. The impact was felt across the nation and here in South Carolina as well.

The good news is that our economy shows signs of improvement. But we will not simply stand by and wait for a recovery. We will respond to our state's needs with vigor.

The first positive step is to pass a responsible budget. Last year, we responded to the state's budget challenges by downsizing state government by nearly \$200 million while protecting our core priorities of education and health care.

Our state still faces a budget crunch. But we must see this as a challenge. Not an obstacle. We can manage this budget, or let it manage us. The decision is ours. I say let's keep our state moving forward. Let's think outside the box. Let's use every ounce of creativity to protect our progress... in education, health care, and public safety.

To balance our state budget, let's agree on another important point: no tax increases. Our fellow citizens are struggling to make ends meet, and simply cannot afford to pay more. Like every family experiencing a financial crunch, we'll just have to tighten our belts.

Fortunately, there's an easy way to start. Every day the legislature operates costs the taxpayers \$60,000. If Florida can do the people's business in 60 days, and Texas can do it with a legislature that meets only once every other year, then South Carolina can do the people's business in two months.

For years, Speaker Wilkins has introduced a bill to shorten the legislative session. I am proud tonight to endorse the Speaker's bill.

However, even before the Speaker's bill passes, it is within the legislature's power to wrap up the people's business in 60 days. Speaker Wilkins ... Lt. Governor Peeler ... let's agree tonight to put some bipartisan muscle to work, to finish the people's business in two months, and to save taxpayers millions of dollars.

Our efforts to help those affected by the economy do not stop with the budget alone.

For the past decade, South Carolina has been blessed with a robust economy. Even as our economy slowed, our Department of Commerce has a strong record... more than \$11 billion in capital investment and 50,000 new jobs during the last two years.

We have a great business climate. And I have every confidence that our state will continue attracting new jobs and investments as our economy improves.

But one industry in our state needs special attention. Textile workers have suffered job losses due to unfair and illegal foreign competition. And countries are routinely ignoring our trade agreements.

We cannot control the national economy, but we can fight to protect our jobs. Our nation must recognize the importance of a strong manufacturing base to our American way of life.

More than 30,000 South Carolina textile jobs have been lost in the past decade. We'll lose more if immediate action is not taken. My friends, this is not just a South Carolina crisis. It's a national crisis. A great nation cannot fight a war if its clothing, guns, and planes are made someplace else.

Let's stand up for textile workers by sending a message to our national leaders. We must enforce our international trade agreements and stop sending our textile jobs over seas.

And while we are sending messages to Washington, let's send one on behalf of all South Carolinians who have lost their jobs. Our state's One-Stop employment and training system is helping unemployed workers find new jobs. But they need help making ends meet. Join me in urging our national leaders to help families keep their health insurance until they find new jobs. And join me in requesting an additional fourteen weeks of unemployment compensation for those trying to find work.

Of course, the best response to job loss is job creation. It's not enough to protect old jobs and respond to layoffs. We must set ambitious goals for new jobs. In that regard, I am challenging Team South Carolina to create at least 25,000 new jobs and additional private investment of at least \$6 billion this year.

But our vision for the economic future of our state must also include a role for the New Economy. For the past six months, my Technology Transition Team has been hard at work identifying ways for South Carolina to become a leader in high tech jobs. Several key elements of this plan require immediate attention.

First, we must recognize the role our universities play in fostering new ideas that create jobs. Look no further than Atlanta, Georgia; the Research Triangle in North Carolina; and Austin, Texas to see the impact a research university has on economic development. Our universities can also be engines of economic opportunity. But only if we dramatically increase research funding to support promising new ideas. I am calling on the legislature to create a new fund to support research at our universities with \$40 million in lottery proceeds.

This research fund will support new centers of excellence, like an Automotive Center at Clemson. At this center, the latest automotive technologies and designs can be tested and perfected by the world's top engineers and students. South Carolina will become a magnet for exciting new ideas in the automotive field. And we will become a world leader in new automotive engineering jobs as well.

I also urge you to enact legislation that authorizes certified capital companies. This will create a venture capital pool of \$100 million for new technology companies. This will put South Carolina in the center of the New Economy.

These measures will help South Carolina during this economic slowdown. But the greatest insurance against future slumps is to have the best-educated workforce in America. To do that, we must demand excellence from our public schools.

Here's what we will do next to create the world-class schools South Carolina deserves.

Let us start with the school buildings themselves. We are already making record strides in replacing portable classrooms with bricks and mortar. Our historic billion-dollar investment has moved us toward our goal -- without raising taxes. But there are still more than 3,000 portable classrooms in the state.

It is simply unacceptable to send our children to school in leaky, portable classrooms. We need our own Marshall Plan for school buildings.

Tonight, I am announcing a school building initiative called Palmetto Builds! Palmetto Builds! has a simple goal -- move our kids out of portable classrooms into modern classrooms without raising taxes.

Palmetto Builds! will create a School Infrastructure Bank, similar to our Highway Infrastructure Bank, that will allow districts to save on financing, purchasing and interest costs. Ultimately, the bank can use existing debt service and state revenues to give all of our children -- in rich and poor districts -- classrooms the entire country will envy.

Even while we improve the buildings, we must help the teachers who work there.

We've done a good job of meeting the Southeastern average salary for teachers. But if we want to continue attracting the best and brightest professionals, South Carolina must pay our teachers a salary of national caliber.

Tonight, I ask you to make a commitment to raise our teachers' pay to the national average within the next five years.

We must also support excellence among South Carolina's educators by encouraging even more teachers to become nationally certified.

When I took office, we had seventeen of these outstanding professionals in our classrooms. I set the goal of five hundred nationally certified teachers by 2002. Well, we passed that goal early, and there are now 1,300 nationally certified teachers in South Carolina.

Some critics say we have too many nationally certified teachers. They say we should discontinue incentives for teachers to become nationally certified. I disagree. It's time to set the bar higher, not lower. There is no reason we cannot have 5,000 nationally certified teachers in our state by the year 2005. That's 5,000 by "o five."

We must also fulfill our commitment to public school accountability. Parents recently received the first school report cards. They provided parents with a snapshot of how their children's schools measure up. This honest assessment was the first step. Now the legislature must do its part and provide under-performing schools with the money they need to make improvements. My budget provides \$41 million for this task.

Next, let's make sure that reading truly becomes fundamental. Because I believe every child in the state deserves access to quality books. And I believe that every elementary school in the state deserves a quality library.

To meet both these goals, we are kicking off the Cool Books initiative. Cool Books has a simple goal: put a read-aloud library in every elementary classroom in the state.

Cool Books is a partnership between our states' communities, businesses and schools. To participate in Cool Books, individuals or groups can purchase coolers of books for a particular classroom or school. By tapping the great South Carolina community spirit, Cool Books will help every child become a book lover.

Last week, President Bush announced his "Leave No Child Behind" education plan. Like South Carolina, the plan has heavy doses of accountability, an emphasis on pre-school, initiatives to close the achievement gaps between rich and poor, and a special emphasis on reading.

To make progress in education, the president has put money on the table. I intend to use this money to enhance the initiatives we've already begun... to expand our successful Governor's Institute of Reading. This will encourage our youngest readers to continue as they progress through school.

We also know students learn better when there are strong partnerships between schools and communities. In Greenwood, for example, the HOSTS mentoring program partners adult volunteers with struggling readers. I want to use the president's education money to take this mentoring project statewide.

In addition, our new teachers need more help. Asking new teachers to sink or swim simply doesn't work. We lose one-third of our teachers in the first five years. Let's pair new teachers with veteran educators to insure our brightest new teachers don't get discouraged and leave our classrooms.

Now, let's make sure our children can safely travel to school. Our school bus fleet is in bad shape. Let's dedicate a portion of our bond revenues to replacing our state's old buses. For an investment of \$40 million, we can replace 750 buses and buy our parents some much-needed piece of mind.

Let's talk for a minute about the students who ride on those buses ... the students who fill the classrooms of our state's schools.

Character education is already an important part of many South Carolina classrooms. Across the state, character education initiatives promote the fundamental South Carolina values of service, leadership, responsibility and discipline.

We began tonight by reciting the pledge of allegiance. Our state's students begin each morning the same way. In this time of national trial, we must all recognize that patriotism is the cornerstone of the American character. Let's also give our students a lesson in the character and history of American heroism.

On December 7, 1941, this nation was a sleeping giant. Then came war, unbidden and unexpected. President Roosevelt rallied the nation, and America arose to meet the challenge. The Second World War saw our parents and grandparents earn the title of "greatest generation," by meeting the threat with honor and courage.

Even as the "greatest generation" passes, their lessons must be taught and their values must endure. Therefore, I want every high school student to receive a copy of Tom Brokaw's book, *The Greatest Generation*. I want this book to become part of our school's American history curriculum.

Reading about the "greatest generation" is not enough. I want our state's students to hear these stories directly from the source. Tonight, I am announcing that we will select a school district for an exciting pilot initiative that will bring World War II veterans into the classroom. These living heroes will give South Carolina students the chance to see courage exemplified and character personified.

I am pleased to report that we have our first volunteer... our very own World War II hero, Senator John Drummond.

Finally, there is one fundamental tool for improving South Carolina's schools that we have not discussed yet tonight.

Education lottery tickets are on sale now. But there are crucial pieces of business that remain unfinished. We need our lottery to reach its full potential. First, we must work together to give South Carolina the college scholarships and world-class educational opportunity the people voted for. And it is time to allow South Carolinians to participate in multi-state Powerball games. These games will generate even more excitement and money for education.

And it's time to pass the people's lottery plan. College scholarships for our state's high school students... Free graduate education for classroom teachers... And lifetime learning scholarships so that any adult at any age can attend a technical college and get the job skills they need.

When the people's lottery plan has passed, lifelong learning will become the birthright of every South Carolinian. More than 100,000 students will receive scholarship benefits. And every worker will be able to attend technical college.

Our lottery plan is needed now more than ever. More research at our state's universities equals more jobs. And the lottery scholarships make it possible for laid-off workers to learn new skills. These scholarships will make a higher education available to every South Carolinian who earns one.

Eliminating portables ... better teacher pay ... modern classrooms ... these are not the projects of a single legislative session or a single term of office. These are no quick fixes or easy solutions. These are goals that cannot be completed in one year or two. But these are the works we are called upon to do, from generation to generation.

We have proved it possible to cut spending, while preserving education and health care. We have balanced the budget during tough times, without raising taxes. It is a "can do" spirit. This year, let's bring that same spirit of progress to bear and reach our goals together.

Ladies and Gentlemen, we agree on so many ideas. South Carolinians want better schools, lean government and safe communities. Let's throw out the old stumbling block of partisanship and politics. And remember the heroes we met tonight. They deserve cooperation and progress.

I recall the words President Bush used just 11 weeks ago. "We've got to put aside political differences, and act swiftly and strongly."

What the president asked of the nation, I ask of you.

Let's take these fresh approaches to old problems, together... the best homeland security in the nation... protecting jobs while starting new initiatives for the New Economy... advancing, not retreating on educational progress.

This is the work of the swift and the strong!

Thank you. God bless you, and God bless the great state of South Carolina.